

WORKFORCE OBSERVATIONS

FOR MILWAUKEE COUNTY/WOW COUNTIES

OCTOBER 2001



State of Wisconsin
Department of Workforce Development

The View from September

In September, the Milwaukee Metropolitan Statistical Area (MSA) experienced a seasonally adjusted unemployment rate of 4.0 percent, which is six-tenths of a percentage point lower than that experienced in the metro area for the month of August. The metropolitan unemployment rate stands at six-tenths of one percent above the state rate of 3.4% for the same period. Historically, the unemployment rate is four-tenths higher than the 3.6% rate of September 2000.

The **Milwaukee County** not seasonally adjusted unemployment rate stood at 4.9 percent in September. This rate, which ranked 6th highest in the state for the month was seven-tenths lower than August, but stood three-tenths higher than this same time last year. The rate decreased despite a general reduction in the labor force of nearly 6,500 participants, accompanied by a decrease of nearly 2,500 persons employed. However, the decrease in the employed labor force was outpaced by a decrease in the number of unemployed (approximately 4,000 lower than August), resulting in a lower unemployment rate for the county. The decrease from August can be attributed primarily to the beginning on the high school and collegiate school year, which defined much of the exodus of seasonal employees in August. This appears to be the case in all of the metropolitan counties. Additionally, while the county unemployment rate is higher than the same time in 2000, it remains to be seen if the rate accurately reflects perceived fears of a general economic slowdown.

The manufacturing sector in Milwaukee County, which continues to define a great degree of economic activity in the county reported a loss of 600 employees.

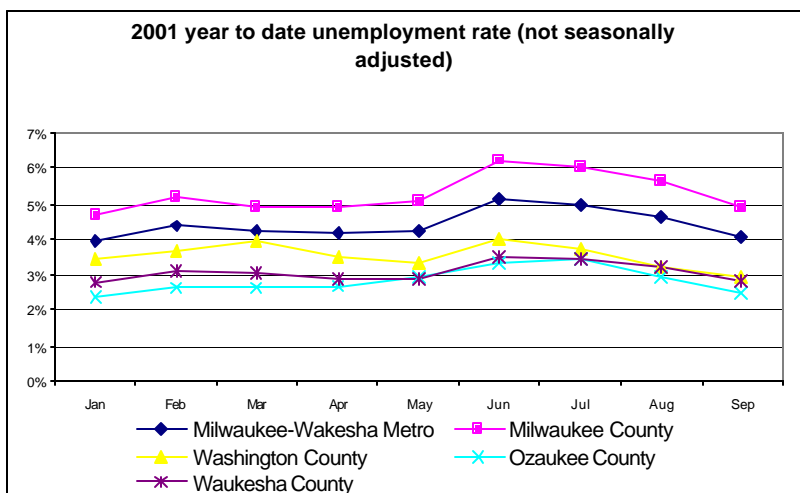
This loss is attributed primarily to workforce reduction among employers in response to decreased production demands. Also, some residual effects of the loss of seasonal employees may be included in this loss. However, the retail trade sector experienced a greater loss over the month of September, reporting nearly 1,500 less employees than the same time a month ago. This can be attributed again to the residual effects of a decrease in seasonal employment, as well as the lingering effects of the recent decrease in consumer confidence brought about by a slowing economy.

Analyzing employment figures over the past year, several notable trends emerge. First, the manufacturing sectors continued a general period of decline in the workforce. Over the past year, over all related industries, Milwaukee County has experienced a net decrease of nearly 4,000 employees in manufacturing employment. The decrease in this sector is dominated by reductions in durable goods-related positions that account for the greatest portion of manufacturing employment within the county, as a whole. Wholesale and retail trade have also experienced notable declines in their respective workforces over the past year. This decline again can be attributed to the recent lack of consumer confidence and a general decrease in demand for "big ticket" items, despite recent data suggesting that these sectors may be positioned for a period of resurgence, particularly tied to a general show of consumer patriotism in the wake of the events of September 11th.

The WOW counties' of Waukesha, Ozaukee, and Washington not seasonally adjusted unemployment rates all declined over the course of the past month. **Washington County's** rate of 2.9 percent is three-tenths of a percentage point lower than August. **Ozaukee County** reported a September unemployment rate of 2.4%, five-tenths of a point lower and sixth lowest in the state for the month, and **Waukesha County**, at 2.8 percent continues a recent trend of decline, coming in at four-tenths of a point

lower than a month ago. Each of these rates is higher than rates for the respective counties from this time a year ago.

Washington County is three-tenths of a point higher, Ozaukee County is four-tenths higher, and Waukesha County is six-tenths higher, respectively. To put these September rates into historical perspective, while each of the counties' unemployment rates are historically



lower than those rates experienced at the beginning of the 1990's, the September 2001 unemployment rates in the WOW counties represent the highest unemployment rate in the past five years, again indicating, as least in part, that the period of expansion experienced nationally may be slowing. Over the period from 1990 to the present, September unemployment rates have averaged 2.8%, 2.6%, and 2.9% for Waukesha, Ozaukee, and Washington Counties, respectively.

An analysis of industry employment shows an aggregate loss of

(Continued on page 2)

(Continued from page 1)

3,200 employees over the past month, with the number of person's employed (4,020) outpacing reduction in the number of unemployed (1,280), resulting in a decrease in the WDA unemployment rate to 2.8% for the month.

Job loss in the WOW WDA over the past month has been concentrated in two areas: manufacturing (-550) and retail trade (-890). Again these reductions are due to slowdowns in production and a lack of consumer confidence. However, the service sector industries showed an overall growth in employment, bolstered by dramatic increases in the TCPU (350) and government (1,680) sectors. Over the course of the past year, manufacturing employment has experienced a precipitous decline (-3,540 positions), led primarily by decline in Waukesha County (-2,310). Other sectors have experienced either modest increases (FIRE, services, and government) or decreases

(construction, TCPU, wholesale and retail trade).

The country, as a whole continues to feel the impact of the terrorist attacks of September 11th and the recent rash of Anthrax scares. Anecdotally, it appears that the psychological effect of the attacks has had a noticeable impact on the economy. However, it is still too early to accurately gauge the magnitude of the impact. Consumer confidence figures for the month of September show a slight decline, but do not show anything inconsistent with historical trends pre-September 11th. While news has been filled with reports of massive layoffs, particularly in the airline and related industries, as well as the hospitality industry. In the area, the most notable layoffs have been in the hospitality sector, as the area serves as the home to a number of call centers. However, as the most recent employment data includes data collected before September 11, any decreases may not appear until employment data for October is released.

	Wisconsin	Milwaukee-Waukesha MSA	Milwaukee County/WDA	Washington County	Ozaukee County	Waukesha County	W-O-W WDA
September 2001							
Civilian Labor Force*	3,038,934	815,301	481,582	68,552	48,991	216,176	333,719
Persons Employed	2,935,948	782,383	457,999	66,538	47,794	210,052	324,384
Persons Unemployed	102,986	32,918	23,583	2,014	1,197	6,124	9,335
Unemployment Rate	3.4%	4.0%	4.9%	2.9%	2.4%	2.8%	2.8%
Total jobs of all non-farm industries**	2,850,766	864,146	554,566	47,156	39,240	223,184	309,580
Goods Producing Jobs	736,229	201,636	101,729	18,092	13,644	68,171	99,907
Service Producing Jobs	2,114,537	662,510	452,838	29,064	25,595	155,013	209,672
Construction & Mining	140,278	36,633	15,100	2,847	1,677	17,009	21,533
All Manufacturing	595,951	165,003	86,629	15,245	11,967	51,161	78,374
Transportation, Communications & Public Utilities	134,437	38,002	27,799	1,720	806	7,677	10,203
Wholesale Trade	139,844	49,678	25,566	2,453	1,632	20,026	24,112
Retail Trade	506,839	134,089	83,247	8,345	7,065	35,431	50,842
Finance, Insurance, and Real Estate	153,753	59,704	43,356	2,031	2,001	12,317	16,348
Services	799,610	292,766	210,762	9,316	10,343	62,345	82,004
All Government	380,054	88,271	62,108	5,197	3,748	17,217	26,163
Change from August 2001							
Civilian Labor Force*	-40,200	-9,660	-6,470	-590	-520	-2,080	-3,190
Persons Employed	-31,630	-4,340	-2,540	-370	-270	-1,170	-4,020
Persons Unemployed	-16,750	-5,320	-3,930	-220	-260	-920	-1,280
Unemployment Rate	-0.5%	-0.6%	-0.7%	-0.3%	-0.5%	-0.4%	-0.3%
Total jobs of all non-farm industries**	3,280	2,040	1,930	90	10	10	110
Goods Producing Jobs	-8,720	-1,130	-600	-100	-80	-350	-530
Service Producing Jobs	12,000	3,170	2,530	190	100	360	650
Construction & Mining	-2,590	20	10	0	0	10	10
All Manufacturing	-6,120	-1,150	-600	-110	-80	-360	-550
Transportation, Communications & Public Utilities	3,380	1,300	950	60	30	260	350
Wholesale Trade	-1,840	-430	-220	-20	-10	-170	-210
Retail Trade	-4,660	-2,350	-1,460	-150	-120	-620	-890
Finance, Insurance, and Real Estate	-1,000	-380	-280	-10	-10	-80	-110
Services	-7,690	-630	-450	-20	-20	-130	-180
All Government	23,810	5,670	3,990	330	240	1,110	1,680
Change from September 2000							
Civilian Labor Force*	87,370	10,120	5,550	800	620	3,150	4,570
Persons Employed	71,150	6,360	3,720	540	390	1,710	2,640
Persons Unemployed	16,220	3,760	1,830	260	230	1,440	1,940
Unemployment Rate	0.5%	0.4%	0.3%	0.3%	0.4%	0.6%	0.6%
Total jobs of all non-farm industries**	1,060	-5,930	-2,400	-670	-490	-2,540	-3,700
Goods Producing Jobs	-28,470	-7,920	-4,280	-720	-560	-2,530	-3,810
Service Producing Jobs	29,530	1,990	1,880	60	70	-10	120
Construction & Mining	-1,400	-470	-370	-40	-20	-220	-280
All Manufacturing	-27,070	-7,450	-3,910	-690	-540	-2,310	-3,540
Transportation, Communications & Public Utilities	1,840	-460	-340	-20	-10	-90	-120
Wholesale Trade	-2,020	-1,530	-790	-80	-50	-620	-740
Retail Trade	1,530	-1,830	-1,130	-110	-100	-480	-690
Finance, Insurance, and Real Estate	3,250	410	300	10	10	90	110

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